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Appln. No. 10/807,580

Amendment in Reply to the Final Office action dated July 22, 2005

## **REMARKS**

The foregoing proposed amendments to the claims removes the objection to claim 1, as stated on page 2 of the Final Office action, and clarifies the recitation of "positioning means" without insertion of any new matter or introduction of a new issue. Entry of the proposed claim amendments is therefore in order and expected. For reasons hereinafter pointed out, claims 1-10 distinguish over the Pinson, Conrad and Carlson patents of record relied on for the final rejections as stated on pages 2-5 of the Final Office action.

The Pinson patent is relied on in regard to claims 9 and 10 as the basis for the final rejection thereof under 35 U.S.C. 102(b), and to support the final rejections of claims 1-10 under 35 U.S.C. 103(a). In applying the disclosure in the Pinson patent to the claims, it is alleged in the Final Office action that the Pinson patent teaches the provision of actuators (Fig. 8, #94, 96 & 98) having an inherently existing support for establishing guide paths along which the actuators are displaced at an angle to the axis of a rotor output shaft (12). The Pinson patent however fails to explicitly refer to or suggest displacement of the actuators (94, 96 and 98) along a guide path that is at an angle to the axis of the output shaft (12) so as to thereby selectively position the actuators in order to vary torque conversion. Instead, different actuators as disclosed in the Pinson patent are respectively displaced into engagement with the wheel lobes for changing torque conversion. In regard to the Conrad and Carlson patents, they are unrelated to the latter referred to torque conversion.

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Claim 1 as amended therefore distinguishes over the prior art references relied on for the final rejections by specifying: "positioning means mounting the actuator means—for displacement at an angle to said rotational axis to vary the conversion—", while amended claim 9 specifies: "track means for establishing guide paths at an angle to the rotor axis; and positioning means—for displacement thereof along the guide paths—". An allowance of claims 1 and 9 together with claims 2-8 and 10 dependent therefrom is therefore in order and hereby requested.

In view of the foregoing, entry of the proposed amendments now submitted and an allowance of the application is hereby requested.

Respectfully submitted,

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